

REMARKS

The Office has issued a belated restriction requirement.

Applicant elects to prosecute the claims of Group I, with traverse.

It is not clear that the Office has met its *prima facie* burden of showing that the respective sets of claims are both independent and distinct. Moreover, even if the claims are independent and distinct, it is not believed that maintaining all claims in a single application would be unduly burdensome on the Office – especially since (1) a search of all the claims has already been conducted, (2) first and second actions have been issued, and (3) an appeal brief has been filed – each addressing all claims. Accordingly, withdrawal of the restriction requirement is solicited.

If the restriction requirement is made final, applicants authorize the Examiner to cancel the non-elected claim (i.e., claim 2) by Examiner's Amendment.

Date: January 28, 2005

CUSTOMER NUMBER 23735

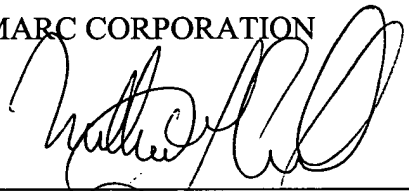
Phone: 503-469-4800

FAX 503-469-4777

Respectfully submitted,

DIGIMARC CORPORATION

By



William Y. Conwell
Registration No. 31,943